



Comcast Cable  
1401 East Miller Road  
Lansing, MI 48911

August 8, 2007

The Honorable Steven Bieda  
Chair, House Tax Policy Committee  
P.O. Box 30014  
Lansing, MI 48909

**RE: Comcast Support for MBT FAS 109 Financial Statement Relief Legislation**

Dear Representative Bieda:

I am writing you today in support of your efforts to enact legislation to address the unintended and unfair financial statement impact caused by the recent enactment of the Michigan Business Tax Act ("MBTA"). This non-cash financial statement impact was an unintended consequence of the MBTA, and unfairly punishes the financial statement results of companies doing business in Michigan, without any corresponding revenue benefit to the state. As you have recognized, this problem needs to be fixed as soon as possible, but absolutely no later than September 30<sup>th</sup>, 2007.

The problem here is created by a technical accounting rule known as "FAS 109." This accounting rule requires companies to record today, on their 2007 financial statements, a lump sum non-cash liability for Michigan Business Tax which taxpayers typically will never pay. These liabilities are recorded as non-cash liabilities on the balance sheet; a taxpayer is required to take a current 2007 earnings charge for the full amount of that future hypothetical liability.

This is one of the first and by far the most significant issues raised with respect to the MBTA. We fully support the considerable efforts made to boost Michigan's image as a good place to do business. Swift action to correct this unintended impact of the MBTA will reinforce these efforts. Of course protracted uncertainty on this issue can only obscure Michigan's pro-business environment message.

This issue is significant to Comcast. Comcast has noted in our second quarter 2007 SEC filing about how the enactment of the MBT will hurt our 3Q 2007 earnings by increasing our effective income tax rate. We stated in our Income Tax Expense disclosure at page 29 of Comcast's 2Q 2007 10Q SEC filing:

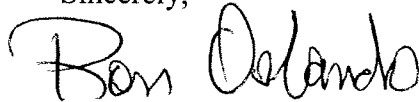
*Our deferred income taxes will be impacted by the enactment of new tax legislation in the state of Michigan in July 2007. Unless it is modified, the new legislation will require us to record additional deferred state income tax expense and liabilities in the third quarter of 2007 related to differences between our recorded book basis and our tax basis, principally related to our acquired indefinite-lived intangible assets. If the Michigan legislation remains unchanged, we*

*expect our 2007 annual effective tax rate to be at the high end of the range of 40% to 45%. ...We do not expect these deferred taxes to become due and payable in the foreseeable future.*

We request legislation that would reinstate a provision which everyone thought was to be included in the final MBTA. That provision would have avoided this issue. It was removed from the final MBTA language, not because of any objections, but because of confusion on how a provision creating a deduction commencing in 2013 had an immediate 2007 financial statement impact. Finally, we point to your attention that Ohio and Texas enacted very similar financial statement relief provisions when those states changed their tax regimes.

We thank you for your efforts in this matter, and look forward to working with you for prompt enactment of this legislation.

Sincerely,

A handwritten signature in black ink that reads "Ron Orlando". The signature is written in a cursive, flowing style.

Ron Orlando  
Director of State Governmental Affairs